HOUSE BILL No. 1128

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-5.7; IC 27-13-36.2.

Synopsis: Health provider reimbursement. Specifies certain requirements for an insurer or a health maintenance organization in adjusting subsequent claims to obtain reimbursement for an overpaid claim. Prohibits a denial or limitation of coverage for a preauthorized service by an insurer or a health maintenance organization except in certain circumstances. Specifies requirements of reimbursement by an insurer or a health maintenance organization for certain services.

Effective: July 1, 2003.

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January 7, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.





First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1128

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-8-5.7-2.7 IS ADDED TO THE INDIANA

2	CODE AS A NEW SECTION TO READ AS FOLLOWS
3	[EFFECTIVE JULY 1, 2003]: Sec. 2.7. As used in this chapter,
4	"health care service" has the meaning set forth in IC 27-8-11-1.
5	SECTION 2. IC 27-8-5.7-9 IS ADDED TO THE INDIANA CODE
6	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7	1, 2003]: Sec. 9. (a) An insurer may not, more than six (6) months
8	after the date on which:
9	(1) a claim was filed by a provider; and
10	(2) an overpayment on the claim described in subdivision (1)
11	was made to the provider by the insurer;
12	adjust a subsequent claim filed by the provider as a method of
13	obtaining reimbursement of the overpayment from the provider.
14	(b) Every adjusted subsequent claim described in subsection (a)
15	must be accompanied by an explanation of the reason for the

adjustment, including:

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1	(A) claim on which the overpayment was made; and
2	(B) party financially responsible for the overpaid amount;
3	and
4	(2) the amount of the overpayment that is being reimbursed
5	to the insurer through the adjusted subsequent claim.
6	SECTION 3. IC 27-8-5.7-10 IS ADDED TO THE INDIANA CODE
7	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8	1, 2003]: Sec. 10. An insurer may not deny or limit coverage of a
9	health care service that has been preauthorized by the insurer and
10	performed for any reason other than that:
11	(1) the insured's medical condition on the date that the health
12	care service was performed was such that performance of the
13	health care service was unnecessary; or
14	(2) coverage was not in effect on the date that the health care
15	service was performed.
16	SECTION 4. IC 27-8-5.7-11 IS ADDED TO THE INDIANA CODE
17	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18	1, 2003]: Sec. 11. An insurer shall:
19	(1) reimburse a provider:
20	(A) for each covered health care service specified on a
21	claim form submitted by a provider; and
22	(B) under the diagnostic or procedure code, including a
23	procedure code with modifiers, described in IC 27-13-41-1
24	that applies to the health care service;
25	(2) reimburse a provider:
26	(A) for each covered surgical procedure performed in a
27	single operative episode of care; and
28	(B) under the diagnostic or procedure code described in
29	IC 27-13-41-1 that applies to the surgical procedure; and
30	(3) not establish one (1) fixed rate of reimbursement for
31	multiple surgical procedures performed in a single operative
32	episode of care. SECTION 5. IC 27-13-36.2-7 IS ADDED TO THE INDIANA
33 34	CODE AS A NEW SECTION TO READ AS FOLLOWS
35	[EFFECTIVE JULY 1, 2003]: Sec. 7. (a) A health maintenance
36 37	organization may not, more than six (6) months after the date on
38	which: (1) a claim was filed by a provider; and
39	(2) an overpayment on the claim described in subdivision (1)
40	was made to the provider by the health maintenance
41	organization;
42	adjust a subsequent claim filed by the provider as a method of
74	adjust a subsequent claim med by the provider as a method of



1	obtaining reimbursement of the overpayment from the provider.
2	(b) Every adjusted subsequent claim described in subsection (a)
3	must be accompanied by an explanation of the reason for the
4	adjustment, including:
5	(1) an identification of the:
6	(A) claim on which the overpayment was made; and
7	(B) party financially responsible for the amount overpaid;
8	and
9	(2) the amount of the overpayment that is being reimbursed
10	to the health maintenance organization through the adjusted
11	subsequent claim.
12	SECTION 6. IC 27-13-36.2-8 IS ADDED TO THE INDIANA
13	CODE AS A NEW SECTION TO READ AS FOLLOWS
14	[EFFECTIVE JULY 1, 2003]: Sec. 8. A health maintenance
15	organization may not deny or limit coverage of a health care
16	service that has been preauthorized by the health maintenance
17	organization and performed for any reason other than that:
18	(1) the enrollee's medical condition on the date that the health
19	care service was performed was such that performance of the
20	health care service was unnecessary; or
21	(2) coverage was not in effect on the date that the health care
22	service was performed.
23	SECTION 7. IC 27-13-36.2-9 IS ADDED TO THE INDIANA
24	CODE AS A NEW SECTION TO READ AS FOLLOWS
25	[EFFECTIVE JULY 1, 2003]: Sec. 9. A health maintenance
26	organization shall:
27	(1) reimburse a provider:
28	(A) for each covered health care service specified on a
29	claim form submitted by a provider; and
30	(B) under the diagnostic or procedure code, including a
31	procedure code with modifiers, described in IC 27-13-41-1
32	that applies to the health care service;
33	(2) reimburse a provider:
34	(A) for each covered surgical procedure performed in a
35	single operative episode of care; and
36	(B) under the diagnostic or procedure code described in
37	IC 27-13-41-1 that applies to the surgical procedure; and
38	(3) not establish one (1) fixed rate of reimbursement for
39	multiple surgical procedures performed in a single operative
40	episode of care.

